

**ORDER 2021--101
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC d/b/a WINNER'S CIRCLE OFF TRACK
BETTING, CLARKSVILLE
21-OTB-CV-02**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 25th DAY OF MAY, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
CENTAUR ACQUISITION, LLC) **SETTLEMENT**
d/b/a WINNER'S CIRCLE OFF TRACK) **21-OTB-CV-02**
BETTING, CLARKSVILLE)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Sara Gonso Tait and Centaur Acquisition, LLC d/b/a Winner's Circle Off Track Betting, Clarksville ("OTB Clarksville"), (collectively, the "Parties") desire to enter into this settlement agreement ("Agreement") prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. IC 4-38-11-1 provides the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
 - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or

unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

2. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provides prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
3. 68 IAC 11-9-2(a) provides the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
4. 68 IAC 11-1-3(c)(4) provides that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
5. OTB Clarksville's approved internal control procedures, A-18, describe the procedures for the Child Support Intercept Process.
6. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for March 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

COUNT II

7. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the licensee are safeguarded.
8. On January 31, 2021, Surveillance notified a Commission Investigator of an improper payout. Surveillance provided that a patron cashed in a winning ticket in the amount of six hundred (\$600) dollars and also made six hundred sixty-five (\$665) in other wagers with a Sportsbook Ticket Writer. The patron paid for the wagers but was not paid for his winning ticket.

A review of surveillance coverage determined that the winning ticket was confirmed and that the new wagers were confirmed. The Sportsbook Ticket Writer appeared to run the currency through the bill counter but did not count out the funds. At no point did surveillance observe the Sportsbook Ticket Writer paying out the winning wager.

9. Chapter 7, Section 9 of the Emergency Rules for Sports Wagering provide wagers and payouts made under this document shall be subject to the requirements described in 68 IAC 15-2.
10. 68 IAC 15-2-3(a), (b) & (c)(8) provides that the casino licensee shall be required to maintain a log for the purpose of recording aggregated cash transactions in excess of

three thousand dollars (\$3,000). The casino licensee shall require coordination between the pits, slots, cashiers, cages, redemption centers, and other appropriate areas to ensure all transactions in excess of three thousand dollars (\$3,000) are recorded. The employee witnessing the transaction is for completing the log. The log shall include a photograph of the patron to be taken during the first transaction of the day involving that patron.

11. OTB Clarksville's approved internal control procedures, A-23, describe the procedure for Title 31 compliance and include the procedures for multiple transaction logs ("MTL").
12. On February 21, 2021, Surveillance notified a Commission Investigator that a Lead Supervisor failed to request an MTL photo for a patron for a transaction of \$3,008.88. A photograph was ultimately obtained.
13. On March 23, 2021, Surveillance notified a Commission Investigator that a Lead Supervisor failed to request an MTL photo for a patron for a transaction of \$4,964.80. A photograph was ultimately obtained.
19. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the licensee are safeguarded.
20. Chapter 10, Section 3(d) of the Emergency Sports Wagering Rules provides if the sports wagering window net receipts for the shift, as generated by the system, does not agree with the sports wagering count sheet total plus the sports wagering inventory, the shift supervisor shall record any overage or shortage. If the count does not agree, the cashier and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. Any discrepancy that cannot be resolved by the cashier and the shift supervisor shall be reported in writing to the department supervisor in charge at such time. Any discrepancy in excess of five hundred dollars (\$500) shall be reported to the commission. The report shall include:
 - (1) date on which the discrepancy occurred;
 - (2) shift during which the discrepancy occurred;
 - (3) name of the cashier;
 - (4) name of the supervisor;
 - (5) window number; and
 - (6) amount of the discrepancy.
21. On March 12, 2021, Surveillance notified the Commission Investigator the results of the surveillance review which determined that a Race Sportsbook Mutual Teller ("Mutual Teller") had a \$880.87 variance at the end of her shift. Surveillance provided that the paperwork given to them was incomplete. A review of the surveillance coverage determined that the Mutual Teller cashed in a \$780.95 ticket and failed to clear the computer station after the payout. The same patron subsequently placed a straight bet of \$1,000 and the patron is observed counting out \$120 in cash and giving it to the Mutual Teller. The Mutual Teller failed to count out the money and placed it into the till after

briefly fanning the money. The result of this was a patron paid \$120 for a \$1,000 wager, creating a \$880 variance.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of the OTB Clarksville by and through its agents as described herein constitute a breach of IC 4-35, IC 4-38, the Emergency Rules for Sports Wagering, 68 IAC and/or OTB Clarksville's approved internal control procedures. The Commission and OTB Clarksville hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against OTB Clarksville.

OTB Clarksville shall pay to the Commission a total of \$7,000 (\$1,000 for Count I and \$6,000 for Count II) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the Findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, OTB Clarksville agrees to promptly remit payment in the amount of \$7,000 and waive all rights to further administrative or judicial review.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and OTB Clarksville.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission



Steven Jarmuz, SVP & General Manager
Centaur Acquisition, LLC

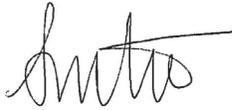
Date

5/19/21

Date

This Agreement shall be binding upon the Commission and OTB Clarksville.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

5/24/21

Date

Steven Jarmuz, SVP & General Manager
Centaur Acquisition, LLC

Date